



Investment Climate and Foreign Direct Investment Attraction in Mozambique: A Contemporary Analysis

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Abstract

Mozambique's investment climate has been a subject of interest for policymakers and investors alike due to its potential for attracting Foreign Direct Investment (FDI). The country has experienced significant economic growth in recent years, but there are still challenges that need to be addressed. The analysis is based on secondary data sources including government reports, international trade databases, and academic literature. Qualitative content analysis was employed to interpret regulatory documents and evaluate their impact on investment attractiveness. Mozambique's investment climate has improved in recent years, with a notable increase in foreign direct investments (FDI) inflows from the mid-2010s onwards. The proportion of FDI in Mozambique rose by approximately 50% between and . The analysis indicates that while the investment climate has improved, there are still areas where further reforms could enhance attractiveness to international investors, particularly in simplifying administrative procedures and reducing bureaucratic delays. Policymakers should focus on streamlining business registration processes and improving contract enforcement mechanisms. Additionally, enhancing infrastructure development in key sectors such as energy and agriculture can also attract more FDI.

Keywords: *Sub-Saharan, comparative advantage, neo-classical, institutional quality, growth nexus, econometric analysis, regional integration*

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